

DO YOU REMEMBER THE TIME  
WHEN COMPLIANCE  
WAS A BURDEN?

THEI GEURTS

# Do you remember the time when compliance was a burden?

A GRC vision paper

Thei Geurts

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## Management summary

This publication contains a short narrative. The narrative asks the question “Do you remember the time when compliance was a burden?”

Instead of futilely complaining about everything that makes our life complex and troublesome, we start by describing a future situation in which this question is fully legitimate.

This leads to an intriguing perspective of what is needed to become an “entrepreneur of meaning” in the GRC space. We describe an actionable framework and the underlying principles that allow you to break the vicious spiral in which you are caught.

The result is a GRC intelligence position in which you and your engaged workforce are able to face the pace of regulatory change, smash bottom-line costs, increase top-line revenue and profitability and - most importantly - restore trust. And your compliance issues? They will be over, because you are compliant by design.

The narrative is purposely kept very basic, and presents the overall view of a GRC framework without going into too much detail. For a more in-depth understanding and elaboration, the reader may go to the book that John Coyne and I have written: ‘Playing Jazz in the GRC Club; the ‘Future Perfect’ of Governance, Risk and Compliance’.

The book starts with the content of this narrative and takes then the presented innovative perspective of GRC to a broader and deeper level.

For more information, see: [www.beinformed.com](http://www.beinformed.com).

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## Introduction

There is a wonderful construct in solution-focused therapy called “future perfect”. In a business environment, we often refer to it as “the dot on the horizon” or the “to-be” situation. Its main function is to take a step back and look at your situation from a higher, analytical and objective perspective. This is inherently connected to achieving a deeper understanding of the real causes of your current problems. It enables you to develop a transition path to the new future. If we take that approach and apply it to the governance, risk & compliance (GRC) domain, something interesting happens: a new perspective on GRC emerges.

- A new perspective** So we should not complain about the gap between strategy and execution, non-authorized decisions or backward-mirror-oriented checks and controls. At this stage, we should also not elaborate on regulatory complexity, managing credit, knowledge, legal and other risks, the increasing cost of compliance or how to address integrity issues, but focus on the “future perfect” of your GRC environment. Then we might have another kind of conversation.
- How to notice the difference** Suppose you were a C-level representative of a highly regulated industry, e.g. of a financial institution, and I were to ask you, “What would happen if you awoke tomorrow and all your compliance problems had vanished? How would you notice the difference?” What would your answer be?

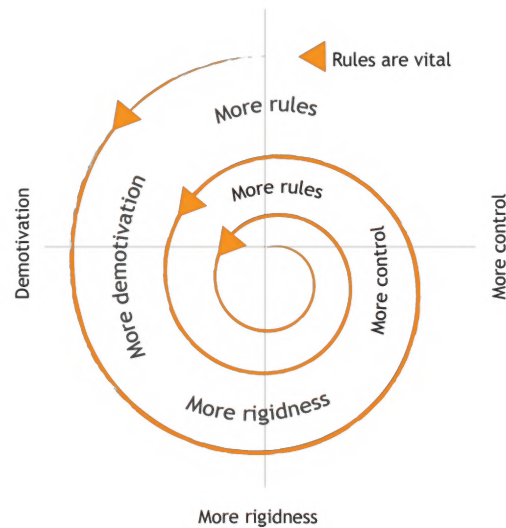
## Break the vicious spiral

You would understandably perhaps need to make up your mind first, and probably buy some time with remarks like, “An intriguing question. We indeed mostly focus on all the elements that are holding us back.”

- Vicious compliance spiral** You might continue with, “We are stuck in a vicious compliance spiral. I will try to answer your question and explain how we broke that spiral. But before I answer, allow me to explain what I mean by governance, risk & compliance and how I position my compliance issues.”



**Figure 1: The vicious spiral**



Source: based on the Crozier bureaucracy spiral

Then you would probably say, “There is an OCEG definition that reads as follows: GRC is ‘the capability to reliably achieve objectives (governance & performance) while addressing uncertainty (risk management) and acting with integrity (compliance).’”

#### Understanding decisions

You might continue by stating, “For me, there is an important strategic component in GRC, dealing with business objectives and performance, balancing investments according to our desired direction and desired results, setting decision rights and resulting policies.” You refer to leading analysts who claim that understanding and articulating which decisions must be made, by whom, how and when, and ensuring that policies are aligned with legal requirements and business objectives, are all key parts of the decision-making aspect of governance (Short & Caldwell, 2012).

“However,” you say, “GRC also involves setting risk tolerances for external and internal risks and being capable of dealing in time with unexpected events. This requires that processes and procedures be in accordance with policies and within the tolerances to support decisions. That covers the risk management aspect. Finally, the compliance and assurance aspect of GRC is about establishing measures to monitor adherence to policies and decisions.”

**A systemic perspective** “So,” you conclude, “solving compliance problems is not an isolated issue, but a systemic one. It is only possible if I take the whole GRC ecosystem into account.” I would probably nod affirmatively and then continue with my question. “Fine, and what would happen if you awoke tomorrow and all your compliance problems had vanished? How would you notice the difference?”

### Trust drives your “future perfect”

“Okay,” you say. “I would almost certainly see a flourishing profitable business, with a strong performance, solid growth, great elasticity, engaged employees, and we would all enjoy our work. But do you want to know how exactly I would notice the change that took place?”

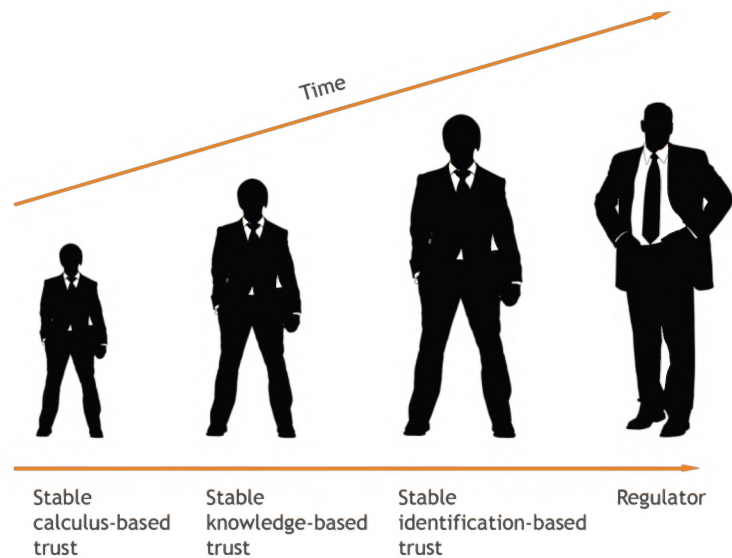
**It all boils down to trust** “My answer is that, in my ‘future perfect,’ I would notice that we had restored the confidence of society and the government that we have lost in this present crisis of values. In the end, it all boils down to trust, doesn’t it? Ultimately, our profitability depends on it.”

“Yes. That makes sense,” would be my reaction. My next question would then be: “So how would you notice that trust had been restored, and how would you be able to foster and maintain that trust?”

**Knowledge-based trust** You would probably give two examples. “First, the government has reduced our regulatory burden in the sense that we are certified to act in a higher division of trust,” you tell me. “Initially, we were forced to act like we were under a contract. Many checks, controls and reports were required and we had a lot to explain and prove. Now we have reached a knowledge-based trust level (Kramer & Tyler, 1996) in which our organization and our contracted partners are proven compliant.”

“Regulatory agencies audit and have approved the way we organize our GRC processes. They have real-time access to our knowledge base, in which we maintain the life cycle of regulations, risk tolerances, policies and controls.” You smile and add, “Naturally, they do not see the organizational strategy, goals, objectives and internal metrics that we have seamlessly connected to these rules.”

**Figure 2: The trust growth path facing regulators**



Source: Kramer & Tyler. Trust in Organisations, 1996

#### Real-time oversight

“On the other hand, regulatory agencies may have real-time oversight of the way we have executed controls in our transactions, using the shielded access and standard reporting and notification features we provide. In more and more cases, we even have an open invitation to act at the highest level of trust. We are partnering in defining new regulations, shaping the way that fits our industry and discussing the results of our impact assessments before government decisions become active.”

#### You are a regulator yourself

Secondly, you provide me with an example that clarifies how you are now able to maintain that trust in a highly cost-effective way. You tell me that at some point in time you realized that you are, in essence, a regulator yourself. “The same level of trust that is expected from me externally, and is enforced upon me, has to exist between me and my board, our business units and the partners in our network.”

“That has led to some important choices,” you tell me. “We have devised a structure that ‘connects all the dots’ and enables end-to-end governance and transparency. So we have connected regulatory alignment, risk alignment and business alignment in one coherent and consistent approach. We have



closed the loop from strategy to execution, from proof to improvement, and turned it into a continuous loop.”

**Find the sweet spot** You explain to me that this was enabled by focusing on the core of the governance, risk & compliance process and finding the sweet spot. You have realized that you have to increase the meaning quotient of work (Cranston & Keller, January 2013). So you have become what Gary Hamel calls an “entrepreneur of meaning” (Hamel, February 2009).

### Entrepreneur of meaning

**Meaning is more than rules** You have found that three simple words are crucial: meaning, decision and context. “Meaning,” you say, “is about the meaning of regulatory, policy and business requirements. It tells me ‘what’ I have to do ‘how,’ ‘why’ and ‘when’ in a specific situation. So, meaning is directly connected to the context of the situation at hand. Therefore ‘meaning’ is more than simple rules.” Decisions play a vital part in your end-to-end process from strategizing to execution and from monitoring to improving. You and your employees take decisions on a daily basis about aspects like a credit application, risk assessments, deal or no deal, based on the meaning of requirements in a specific context of a specific case.

**Meaning drives your business operating system** In your “future perfect,” you tell me, you have established an actionable framework in which the meaning of requirements is extracted in human and machine-readable form and stored as your source of truth. This source provides the fuel that drives your entire business operating system. It is directly infused into your operations and executes preventive controls to shield you from risks. It enables you to take automated decisions and provide decision support when and where needed. This shortens your cycle time and reduces the workload considerably. This source of truth enabled you to achieve the knowledge-based level of trust you enjoy from your regulatory authorities.

You are keen to emphasize that you are talking about a conditional source of truth. It is an intelligence source that tells you what is true within a certain context that is specified in regulatory and policy documents. This regulatory and policy intelligence source feeds the decision process based on preconditions, and always in line with the objectives you have

defined. The preconditions determine what kind of information is needed and which activities are allowed or required by whom at that moment in the process. Each new piece of information leads to an automatic assessment of what is now needed and allowed.

**Eliminate traditional workflow**

By handling decisions this way, you have eliminated the traditional vision of workflow and processes, including all their limitations. Instead of designing consolidated flows that are believed to address the constraints of all parties involved, you have captured the individual constraints of all stakeholders, and the business processes meeting these constraints are automatically inferred. The result is flexible business processes that allow experts to shape their own work based on their experience and seamlessly adapt to the dynamic network they are performed in. (Grondelle & Rensen, 2013)

**The exception is the rule**

Since all decisions are based on the meaning of requirements in the context of every case, you are able to treat every case as unique. There are no exceptions anymore, because you have made the exception the rule.

**Become truly customer-centric**

On this basis, you were able to establish an advanced degree of self-service functionality. It turned out to be the missing stepping stone for your organization to become truly customer-centric.

**Compliant by design**

Since your framework records the decision data with a trace to the requirements on which they are based, you can always prove that you are compliant. You are “compliant by design”. This enables real-time monitoring and instant and consolidated reporting. It removes the burden of e-discovery in litigation cases and frees up time to focus on assessments for continuous improvement.

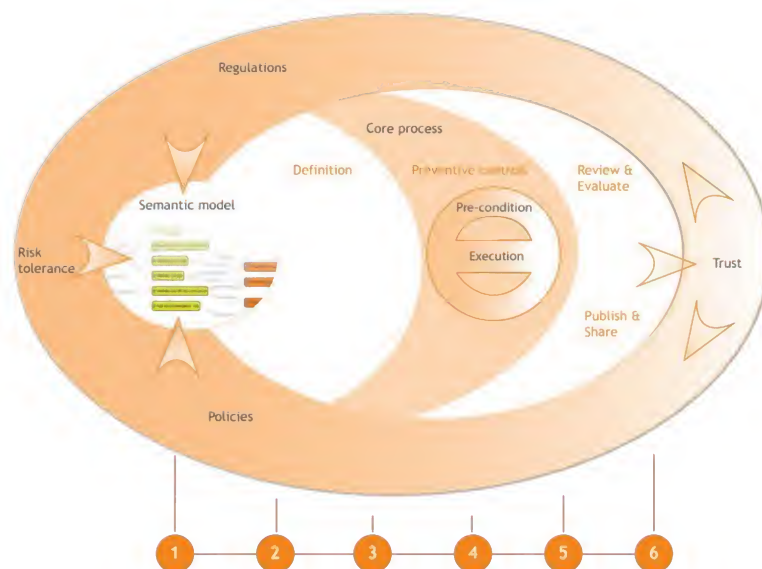
**Actionable framework**

Looking at my face, you see that is hard for me to understand what you mean, so you draw me an image of the framework that you envision in your “future perfect”.

The image shows the process of reacting to external regulations by distilling the requirements, executing impact assessments, creating implementation scenarios, defining or mapping the new requirements to your strategy and objectives, deciding on the acceptable risk tolerance and “translating” the result into policies, controls, reports and

performance metrics. You even mention alerts and training as elements that can be defined in your framework.

**Figure 3: Your actionable governance, risk & compliance framework**



Source: Be Informed, Thei Geurts, 2013

- 1 Regulatory challenges**  
Coping with regulatory challenges. Lifecycle management of regulations, objectives, risks, policies & controls. According to all standard and propriety frameworks (e.g. risk, legal, business, compliance), including 3<sup>rd</sup> party oversight.
- 2 Semantic model**  
Meaning based transposition of requirements, rights, obligations and constraints in a coherent and resilient model, enabling comprehensive & instant changes. Time-sensitive rules.
- 3 Definition**  
Executable output manifestations of the model based on one version of the truth. Supported by e.g. dynamic forms, wizards, checklists, workplace and services. Up to date documentation.
- 4 Preventive controls**  
Infusion of GRC-intelligence in the core process. Execution of prescriptive and preventive controls. Automated decisions. Dynamic activity plan and unified case view. Situation and role aware collaboration and actions, based on preconditions. Case records and audit trail.
- 5 Review & Evaluate**  
Dynamic activity plan for monitoring, auditing, reporting. Comprehensive overview with link to regulations and policies on which decisions are based. Data integration, merging, access and retrieval. Notifications, dashboards, instant and consolidated reporting from multiple perspectives. Feedback and continuous improvement.
- 6 Publish & Share**  
Publishing and providing access to data and reports. Enabling real time oversight for all stake holders. Proof of ethic behavior, enhancing public trust.

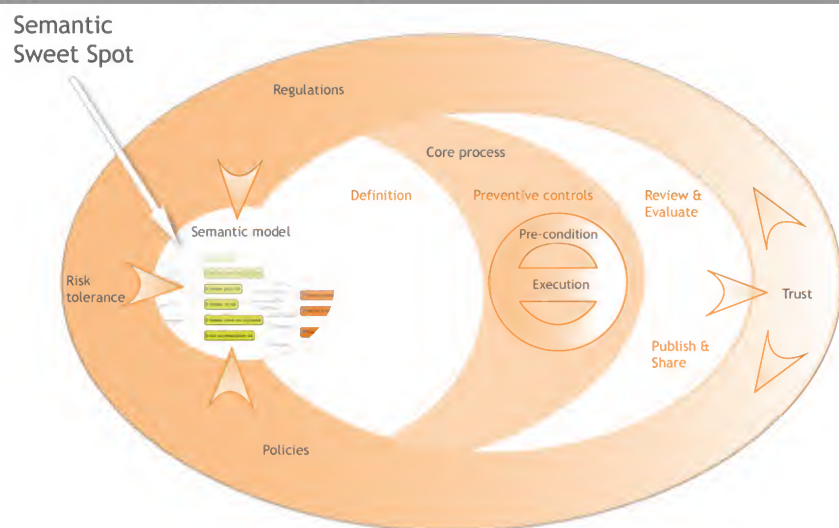
Then you draw my attention to what you call “the semantic sweet spot” of your framework.

## The semantic sweet spot

### Source of truth in a model

The semantic sweet spot contains your source of truth, in which all requirements are transposed into a man-and-machine-readable semantic model. “Semantic means meaning,” you explain to me. “It is not only our sweet spot, because it contains all the meaning, rules and conditions, but also because it has an embedded ability to ‘transform’ itself as a portal, a knowledge base, a wizard or as a service. It is directly executable in many forms. It is the catalyst of all our operations - the core differentiator that makes the ‘future perfect’ feasible,” you tell me.

**Figure 4: Managing meaning**



Source: Be Informed, Thei Geurts, 2013

### Preventive executable compliance controls

Based on that sweet spot, you are able to infuse compliance rules into your process and execute preventive controls. You use automated decisions and decisions that are guided to a specialist based on the case and rules at hand. All your knowledge workers work together across their silos.

### Dynamic activity plan

They are supported by a dynamic activity plan that helps them to plan and perform their job within the guidelines and boundaries of your risk policy and procedures. All activities and decisions are recorded and can be used for monitoring and reporting. You can publish reports, provide access to your knowledge base, as you mentioned before, and share data and findings across the enterprise.

### Managing meaning

You tell me that this approach has changed the mindset of your organization. “We are now more focused on managing



meaning, improving our performance and exploiting the possibilities that regulations offer. We now regard a regulatory change more as a business opportunity than as a threat.”

**Risk-aware culture** Finally, you draw my attention to the behavioral aspect. “In the past, we had huge difficulties in terms of how to establish a risk-aware culture enterprise-wide,” you told me. “In my ‘future perfect,’ it is always clear to everyone what they have to do and why. Tolerances are embedded in the decision process, and preventive controls reduce the temptation and even the possibility to diverge from our principles and policies. This reduces the risk of fraud and other prohibited forms of conduct.”

### Augmenting your GRC intelligence position

“If I try to grasp that picture of your ‘future perfect,’ it is evident to me that you have created a GRC intelligence position that offers extreme value. Since you have established a smart method of decision control, you must have eliminated all, or at least a large proportion of, your main cost drivers. You have probably also freed up capital because you can act reliably with lower risk thresholds. This means that you must have become more profitable.”

**Become more profitable** “That is absolutely the case,” is your answer. “We were, for example, able to move a large portion of our assets from tier 3 to tier 2 and from tier 2 to tier 1 and also cut our claim costs considerably. If accountancy or other intermediary organizations provide us with GRC as a service, we can simply infuse their regulatory intelligence into our process and become even more efficient. We have already thought about decision measurement and decision pricing as a new pricing mechanism.”

**Sustainability** “How about sustainability?”, I am tempted to ask. “How, for example, do you deal with regulatory change?” I can imagine that that question may make you smile. “Regulatory change is not an issue anymore,” you tell me. “We only have to change a regulatory requirement once and in one place to make it executable throughout the whole process. That is a consequence of establishing one version of the truth.

**Regulatory change in one day** “We can process a regulatory or policy change in a few days, and in hours, if needed, instead of months. Since we are able



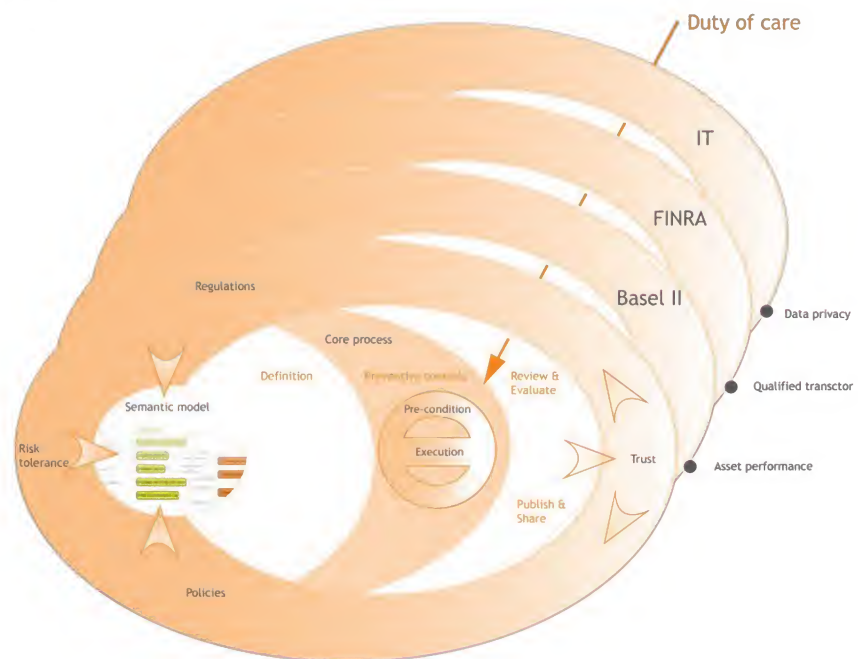
to apply regulatory and policy requirements to all products, we can detect upfront potential overlap and conflicting requirements. Last but not least,” you add, “the cost of change has decreased dramatically.”

### Support multiple frameworks

You even draw my attention to the fact that your approach is able to support all legal frameworks, like Basel III and Dodd-Frank, and support all standard and propriety risk and control frameworks, not only in financial services, but also in other matters and domains, like safety, environment and health.

“So it doesn’t matter if new regulations will be issued; we can handle them,” you say. “We can provide the same level of trust to our regulatory agencies and apply the same approach enterprise-wide. We even use the same approach for managing our third-party contracts to cover our whole supply and demand chain.

**Figure 5: Support for multiple frameworks**



Source: Be Informed, Thei Geurts, 2013

### Enterprise-wide risk management

“In essence, we have created a resilient system that is adaptive and agile at the same time, as well as highly actionable, collaborative and inherently transparent. It also provides all the dashboards we need, allowing the board and myself to execute our governance role and focus on the things that really matter for our business continuity. In addition, our

risk manager finally has realized his vision of an enterprise-wide risk management system for all risk types, and is thus well equipped to deal with uncertainties. As a result, my legal and compliance officers can focus more on their advisory tasks, and internal audit can audit in real time instead of retrospectively and recommend remediation. External auditors and supervisors receive a full service, which reduces the burden on my operations and makes expenses negotiable.”

**Predictable IT** “That’s quite impressive,” I reply. “How about your IT department? I noticed that you didn’t mention them.” “They are enthusiastic, too,” you respond. “Naturally, they were skeptical in the beginning and wanted proof. They are focused on remaining predictable, but also eager to support the business. Extracting meaning, context and decision-based elements from the code made this much easier for them. Now we have separate release cycles for regulatory, policy and IT-related changes.”

**Engaged workforce** My next question could be, “What about your employees below the management level? How did you facilitate their buy-in?” “That all relates to the trust-factor,” you answer. “We have managed to transform the vicious spiral into a virtuous spiral. Since we focus on the meaning, context and decisions, they have more autonomy to collaborate and decide within the constraints that are set for their role and competence level. The level of engagement is astonishing.

**Figure 6: The virtuous spiral**



Source: Be Informed, Thei Geurts, 2013

**Collaboration** “As I said, the whole process is supported by a workplace and a dynamic activity plan that guides the execution of mandatory and optional tasks across all divisions and departments. This applies to all activities, like policy-making, impact assessment, defining controls, executing controls, monitoring, reporting, auditing, recommending or remediating. It is a layer above the organization that connects all activities without affecting the systems and responsibilities that are already in place. It offers freedom and control at the same time. We have broken the vicious spiral and have transformed it into a virtuous spiral.”

**Transformation** Thinking about the impact of such a revolutionary approach, I wonder how you have transformed your organization to achieve that future position. Your answer would probably be, “How do you eat an elephant? Slice by slice. Once you have created your vision, the transformation starts. You have to follow an evolutionary approach to realize the business case of the whole process and the business cases of every part of it. Start with a solid foundation and expand from there in an incremental way. Lower your GRC burden in a controlled way that fits the maturity and capabilities of your organization.”

**Doing it the organic way** Looking for a metaphor, you say, “Do it in an organic way, as if your organization is a living body. Grow step by step, explore with an open mind, accept small pains to achieve big gains and foster your self-healing capability. In other words, if events hurt you despite all precautions, be prepared and able to remediate and continuously improve. Utilize instruments and technology that inherently strengthen your organic capabilities. Don’t try to model the whole world, but focus on the essential. The less optimal solution often delivers the best cost-benefit ratio. Never forget that managing meaning is essentially managing the heartbeat of your organization.” That is your advice.

### What is holding you back?

**Business technology** I wonder what is preventing you from realizing that “future perfect,” and you tell me that it is the lack of an enabling technology. You are fully aware that “business as usual” is no longer possible, since continuous change and uncertainty prevail. However, you are still looking for a technology that is

Face the pace of change

non-invasive, that supports your process end to end, and is dedicated to business-centricity.

Knowledge and experience should, in your opinion, be separated from the fundamental infrastructure required for processing, because they change more rapidly. Knowledge, know-how, expertise, best practices... “Call them what you like,” you say, are, in your opinion, fundamentals that need to be managed via an actionable framework by the business itself.

Currently, though, you are still impaired by a situation in which your process execution knowledge is hidden in computer code or lives in isolation in user guides and spreadsheets. Data authenticity and integrity are hard to maintain, and you cannot stay up to date.

You even tell me that in New York, the home of some of the largest financial institutions in the world, there are some 14,000 proposed regulations that affect their global operations: rules that to a large extent are not (or cannot be) implemented across the financial enterprises. This is in full violation of not only U.S. regulations, but also global regulations such as Basel II & III and international regulations of the European Banking Authority.

Reporting

You are facing a similar problem. Even worse, the number of regulations is increasing, as is the speed of changes. Reporting cannot be based on approximation anymore, but must be based on detail in order to survive serious scrutiny. Reporting also has to meet strict deadlines that are in conflict with the data provisioning cycles of your IT systems. Your present reporting is mainly based on time-consuming hindsight analysis, and you are unable to reduce your reporting latency. As a consequence, you are reporting too late to the regulatory authority, which leads to further undermining of the level of trust, which is already low.

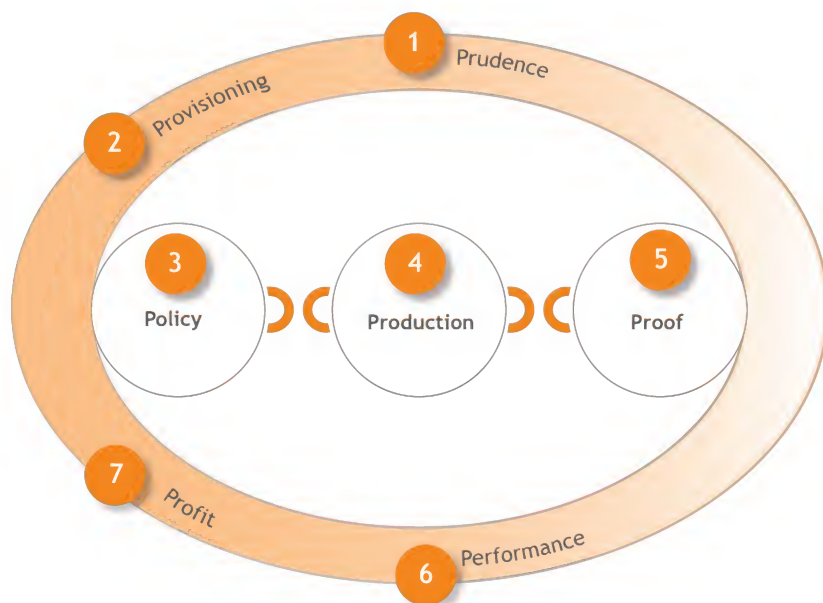
Maintain risk-adjusted profitability

Your board cannot fulfill its regulatory obligation for oversight. Not being compliant may result in high penalties and even prosecution, both for them and for you. You are struggling to maintain a risk-adjusted profitability. The cost of GRC implementation is high, and does not directly contribute to the primary business in terms of revenues and profit. Overall business performance is going down, which is why you want to tackle your compliance issues from a systemic perspective.

You currently feel like a circus acrobat, balancing on a rope above the Grand Canyon without a safety harness or net. Your main concern is not falling down, instead of going forward and enchanting the public with your capabilities.

**The 7P model** You are showing me your 7P model, and explain to me that the essence of GRC can be expressed in seven concepts, starting with the letter P.

**Figure 7: The 7P model of governance, risk & compliance**



Source: Be Informed, Thei Geurts, 2013

“The two open connectors symbolize the current fragile transfer and connection points between the preceding and next concept,” you explain to me.

Then you create a list of the concerns that belong to every concept in the model. The list now offers a condensed - non-exhaustive - list of the concerns you are dealing with.



**Figure 8: Your 7P model concerns**

<b>1</b>	<b>Prudence</b> How to reinstall confidence? Society and Government lack trust and keep issuing regulations to force the exercise of prudence and enforce transparency.
<b>2</b>	<b>Provisioning</b> How to get help to cope with the flood of new regulations & expectations? Provisioning services from external bodies and providers are fragmented and lack structural, syntactic and semantic interoperability. How to control cost?
<b>3</b>	<b>Policy</b> How to address continuous regulatory pressure? How to assess risk and impact of new regulations and changed conditions? How to align business objectives & performance within the defined risk tolerance constraints? How to manage strategic and operational risk, promote ethical behavior and prevent fraud and other misconduct? How to develop, align, distribute, communicate and maintain directives, policies, procedures and controls and their lifecycle? How to provide meaningful insight from multiple perspectives? How to manage and impose contractual mandates?
<b>3C</b>	How to implement risk profiles with procedures, preventive and repressive controls in the business? How to keep them up to date? How to plan controls?
<b>4</b>	<b>Production</b> How to align, execute and enforce controls across many products, systems and business lines? How to get a 360-degree view of the client case context? How to make risk-tolerance-aware decisions based on preventive controls? How to automate decisions? How to monitor and synchronize collaboration? How to treat every case fair?
<b>3C</b>	How to record, secure and access data? Transaction and interactions (arti)facts in many places, not linked to policy and controls.
<b>5</b>	<b>Proof</b> How to monitor, control and assure compliance? How to move from sample based backward to continuous forward control? How to report in time from multiple perspectives, internal and external? How to collaborate with different parties and roles? How to provide liability and litigation proof from a dispersed landscape? How to identify and detect internal risk? How to mitigate risk?
<b>6</b>	<b>Performance</b> How to prevent that the business operating system slows down and the business is underperforming? How to prevent that working capital is not available due to high risk reserves? How to concur technologic limitations and growing complexity? How to apply technology to optimize gradually and assure return on investment?
<b>7</b>	<b>Profit</b> How to remain profitable and seize opportunities? Business as usual is cancelled; new market risks appear overnight and come from everywhere. How to cope with change dynamics? How to create trust from the regulatory authorities and prevent reputation damage?

Source: Be Informed, Thei Geurts, 2013

Our conversation unsurprisingly ends with a sigh that you really are looking forward to the moment when you can relieve the GRC burden and finally engage in a transformational journey to your “future perfect”.

## Transformation can start NOW

If the readers conception of the GRC-future is similar to that of my imaginary conversation partner, then I have exiting news for you.

### A transformative technology

Every twenty years or so, in IT, a new technology emerges that, by virtue of its exceptional ability, is able to address an entirely new class of customer problems. Such a technology transforms the way people work, improving productivity by providing non-linear improvements in performance.

### Semantic computing

Now, for the first time, a new technology has emerged that breaks the bonds of the previous paradigm and allows pure semantic computing to emerge, putting the power of computing in the hands of domain experts, and facilitating a leap in productivity. But that's not all! Concept computing shifts the paradigm of value from process and data to decisions and actionable computing: the next great value enabler in computer progress.

The business technology that can leverage the ambition that is expressed in this publication is finally available. This proven, scalable and reliable technology is now being introduced into the commercial market. With a proven track record of high-performance governance, Be Informed's Governance Risk & Compliance group is ready to bring this innovation to globally regulated industries.

### Prescriptive solutions at the transaction level

Be Informed stands alone in providing total prescriptive solutions at the transaction level. This means that at each stage of a transaction, Be Informed's technology can monitor for compliance and risk at both the internal policy and government regulator level. Where regulations are well understood, this can provide productivity gains in the various role relationship layers within an enterprise. Where there is ambiguity, you can surface those ambiguities for management intervention and legal opinion. Furthermore, once established, the interpretation becomes part of the straight-through processing facility that streamlines the activity.

What's more, these decisions are recorded at the time of the transaction, and a real-time audit provides both management and regulators with an "in-time snapshot" reference as to why a transaction was deemed either compliant or non-compliant, and allows management to control the compliance risk.

### Increasing STP by 99%

Be Informed's GRC initiative comes from increasing experience in delivering applications that have yielded figures like improvements to orders of magnitude in change adoption (days instead of months), increases in straight-through processing (STP) as high as 99%, reductions in licensing costs for communication systems, and the replacement of infrastructure for a reduced footprint.

### From increasing pain to increasing gain

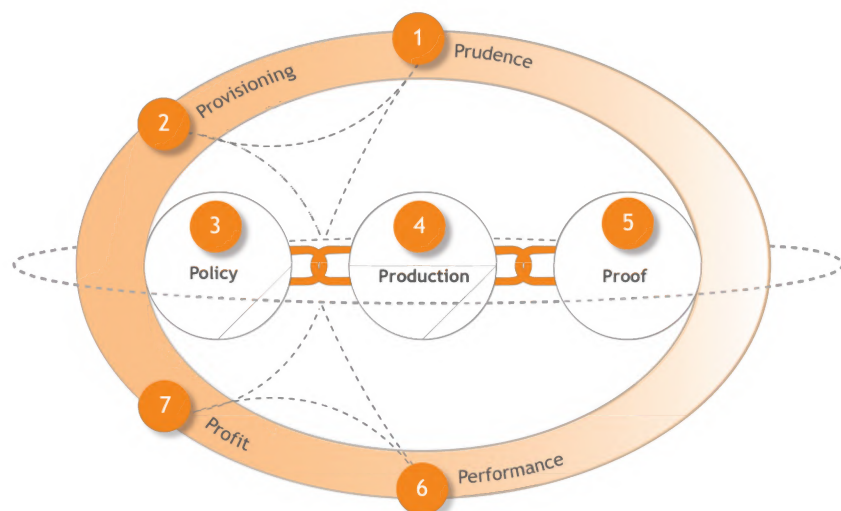
The business case for risk-aware thinking and action can now finally be made with ease. The curve of increasing pain can be replaced by a curve of increasing gain. We have sketched the value proposition and value architecture. There is a transformation approach that fits every organization at the enterprise or network level. The enabling technology is now available. Last but not least, there are also strong economic and regulatory drivers for change.

## Connecting the dots

### The 7P model revised

If you take a look at the presented 7P model you will see that now all of my conversation partner's 7P concerns can be addressed and provided with an answer.

**Figure 9: Connect the dots**



Source: Be Informed, Thei Geurts, 2013

**Figure 10: Your 7P model answers**

<b>1</b>	<b>Prudence</b> Create trust by providing timely and accurate information. Augment transparency by offering compliance proof services to regulators and enable real time regulatory oversight. Cooperate in certified self-control and meta-oversight constructs. Provide impact proof about the effect of new regulations.
<b>2</b>	<b>Provision</b> Set standards and use a 'comply or explain approach' for external provisioning services. Engage in pre-competitive collaboration on standards, vocabularies and semantics. Engage in GRC as a Service initiatives and fuse them with your internal system.
<b>3</b>	<b>Policy</b> Create a GRC-intelligence position and enable ex-ante risk and impact assessment. Develop and simulate scenarios. Model the business in context and from a goal oriented perspective incl. the defined risk tolerance. Design for compliance. Create one version of the truth and make re-use the norm. Manage the policy lifecycle by collaboration and embedded role separation. Capitalize on brainpower. Create a knowledge base to provide insight and support training objectives. Define ethic principles and integrate them in the control and certification cycle. Treat contracts as regulatory mandates and apply the same standards to them.
<b>I</b>	Make procedures and controls executable. Offer GRC as a service. Infuse context aware decision intelligence. Plan coherent control and report activities. Enable virtual organization and collaboration.
<b>4</b>	<b>Production</b> Execute preventive controls (manual and automatic) based on the infused intelligence and dynamic decision support. Support collaboration, role separation and dynamic workflows. Apply monitoring rules, create alerts and offer integrated views. Apply mass customization. Treat every request as a unique case. Create an audit trail, record the decision context with the applied controls, their origin and used rationale.
<b>I</b>	Manage all case related facts in a unified case dossier including their decision context. Apply strict security and retention rules for dossiers. Enable gathering and merging of data based on metadata.
<b>5</b>	<b>Proof</b> Provide role based dashboards and alerts. Support continuous auditing, assessment and monitoring from multiple perspectives per case and cross-case. Generate reports based on reporting templates. Support role based collaboration for monitoring, reporting, analysis, recommendation and remediation. Use the case dossier for liability issues and smash cost of legal discovery. Offer access to the knowledge base and provide information services for regulatory oversight. Support ex-post impact and risk assessment and propose remediation.
<b>6</b>	<b>Performance</b> Connect the dots and augment your GRC-capability. Leverage your logic to achieve transparency, sustainability & accountability within a risk aligned business performance. Use a non-invasive business technology to support the business for various GRC-frameworks and to optimize invested capital in knowledge and systems. Use a robust platform. Apply a growing live approach. Start with removing a major bottleneck and optimize by re-use. Reduce legacy and cut compliance costs.
<b>7</b>	<b>Profit</b> Result: You have built a GRC-intelligence position and created a high performance GRC-organization. This allows you to move more risks to tiers with lower financial thresholds, lower claim cost and free capital. You are compliant by design and can become a trusted partner of authorities. Your actionable GRC-capability and reputation grow by continuous improvement and engagement. New regulations offer new opportunities.

Source: Be Informed, Thei Geurts, 2013

All dots can be connected and the fragile transfer and connection points are replaced by antifragile connections.

We recommend transforming organically, starting by addressing the parts of the 7P model that constitute the largest burden, and employing your own preferred implementation scenario.

## The future has started

### High-performance GRC organization

In this publication, we intended to prove that the “future perfect” that is presented can now be realized. Proven technology is available. Concept computing enables you to leverage the semantic sweet spot, install a regulatory capability, and realize real-time regulatory oversight. Interdependencies between frameworks can be surfaced, and topical regulations and policies can be executed in a coherent way. Risk management can be performed at a higher and more comprehensive level. New business opportunities arise. The board and all other stakeholders can look forward, and the whole enterprise can swing to the melody of continuous change.

### Enjoy the future

Your transformation journey can start right now. The final result for you will be a GRC intelligence position and high-performance GRC organization. You are compliant by design and can become a trusted partner of authorities. Your actionable GRC capability and reputation grow through continuous improvement and engagement. New regulations offer new opportunities and, through a systemic approach, your compliance issues are solved and future issues are prevented.



## About Be Informed

Be Informed is an internationally operating, independent software vendor. The Be Informed business process platform transforms administrative processes. Thanks to Be Informed's unique semantic technology and solutions, business applications can be made completely model-driven, enabling organizations to adjust immediately to new strategies and regulations. Organizations using Be Informed often report cost savings of tens of percents. Further benefits include a much higher straight-through processing rate, leading to vastly improved productivity and a reduction in time-to-change from months to days.